
Appendix G:

Funding Sources

Funding a county-wide greenway system throughout Lexington-Fayette County will be one of the most challenging aspects of this Plan. To have a successful funding program, the Community must be committed to developing multi-objective greenways. Communities that have shown such a commitment have had very little trouble finding the financial resources necessary to implement a greenway program.

Successful greenway programs in other communities demonstrate that the most successful method of funding greenway implementation is to combine private sector funds with funds from local, state and federal sources. Many communities involved with greenway implementation leverage local dollars with other funding sources to increase the resources available for greenway acquisition, development and maintenance.

In order to successfully implement the LFUCG greenway system, the Urban County Government will need to partner with local greenway advocates, private businesses and other public sector agencies to pursue a variety of funding sources. The funding sources listed in this chapter represent some of the greenway funding opportunities that have typically been used by other communities.

G.1. FEDERAL FUNDING SOURCES

Several federal programs offer financial aid for projects that aim to improve community infrastructure, transportation, housing and recreation programs. Some of the federal programs that can be used to fund greenways include the following:

Transportation Equity Act for the 21st Century (TEA-21)

The primary source of federal funding for greenways is through the Transportation Equity Act of 1998 (TEA-21), formerly the Intermodal Surface Transportation Efficiency Act (ISTEA). ISTEA provided millions of dollars in funding for bicycle

and pedestrian transportation projects across the Country, and will provide millions more as TEA-21.

There are many sections of TEA-21 that support the development of bicycle and pedestrian transportation corridors. The Kentucky Transportation Cabinet can distribute funding from any of these subsets of TEA-21 to support greenway development within Lexington-Fayette County. Those sections that apply to the creation of greenways, sidewalks and bikeways include:

Surface Transportation Program (STP) Funds

These funds can be used for bicycle and pedestrian facility construction or non-construction projects, such as brochures, public service announcements and route maps. The projects must be related to bicycle and pedestrian transportation and must be part of the Long Range Transportation Plan.

Transportation Enhancements Program

Nationally, a total of \$3.6 billion is available through TEA-21 for Transportation Enhancements. Ten percent of Kentucky's annual STP funds are available for Enhancements projects, which include projects such as trails, greenways, sidewalks, signage, bikeways, safety education and wildlife undercrossings. The program is operated by the Kentucky Transportation Cabinet's Division of Multi-Modal Programs. There are several key requirements that projects must meet in order to receive these funds. Local applicants must provide a financial match totaling 20 percent of the project's cost, and local government sponsorship is required. Projects funded through this program must have "a clearly defined relationship to surface transportation." Twelve specific activities are eligible, some of which are recreation-related; e.g., provision of facilities for pedestrians and cyclists.

Transit Enhancement Program

This TEA-21 program will generate approximately \$30 million annually for transit enhancement activities, which will be divided among the 125 largest urban areas in the U.S. Activities eligible for

funding include pedestrian access and walkways, bicycle access, bike storage facilities, bike-on-bus racks, and transit connections to parks within the transit service area.

Recreational Trails Program

A component of TEA-21, the Recreational Trails Program is a funding source for the development of non-motorized and motorized recreational trails. The Program uses funds generated from fees on non-highway recreational fuel used by off-road vehicles. Program money can be spent on easement acquisition, property acquisition, trail development, construction and maintenance. Local government or a non-profit entity can be a project sponsor. This competitive grant program requires a 100 percent match, and the maximum grant award is \$50,000. Applications are normally due in October for the following year's funding cycle.

Congestion Mitigation and Air Quality Improvement Program (CMAQ)

The CMAQ program was created to reduce congestion on local streets and improve air quality. Funds are available to communities designated as "non-attainment" areas for air quality, meaning the air is more polluted than federal standards allow. Funds are also available to "maintenance" areas, which are former non-attainment areas that are now in compliance. Funds are distributed to states based on population by county and the severity of air quality problems. A 20 percent local match is required.

Community Development Block Grant Program

The U.S. Department of Housing and Urban Development (HUD) offers financial grants to communities for neighborhood revitalization, economic development, and improvements to community facilities and services, especially in low- and moderate-income areas.

Land and Water Conservation Fund (LWCF) Grants

This federal funding source was established in 1965 to provide park and recreation opportunities to residents throughout the United States. Money for the fund comes from the sale or lease of nonrenewable resources, primarily federal offshore oil and gas leases and surplus federal land sales. LWCF funds are used by federal agencies to acquire additions to National Parks, Forests, and Wildlife Refuges. In the past, Congress has also appropriated

LWCF moneys for so-called "state-side" projects. These "state-side" LWCF grants can be used by communities to acquire and build a variety of park and recreation facilities, including trails and greenways.

The program requires a 100 percent match of non-federal funds or in-kind match, and project sponsors must be a local unit of government. There is an annual LWCF funding cycle in Kentucky, with applications due at the beginning of each fiscal year. Appropriations vary from year to year. The maximum grant award is currently \$75,000, which may change with increased funding levels.

United States Department of Agriculture (USDA) Service

Watershed Protection and Flood Prevention Grants

The USDA Natural Resource Conservation Service (NRCS) provides funding to state and local agencies or non-profit organizations authorized to carry out, maintain and operate watershed improvements involving less than 250,000 acres. The NRCS provides financial and technical assistance to eligible projects to improve watershed protection, flood prevention, sedimentation control, public water-based fish and wildlife enhancements, and recreation planning. The NRCS requires a 50 percent local match for public recreation and fish and wildlife projects

Conservation Reserve Program

The USDA, through its Agricultural Stabilization and Conservation Service, provides payments to farm owners and operators to place highly erodible or environmentally sensitive landscapes into a 10-15 year conservation contract. The participant, in return for annual payments during this period, agrees to implement a conservation plan (approved by the local conservation district) for converting these sensitive lands to a less intensive use. Individuals, associations, corporations, estates, trusts, cities, counties and other entities are eligible for this program. This program can be used to fund the maintenance of open space and non-public use greenways along water bodies and ridge lines.

Wetlands Reserve Program

The USDA also provides direct payments to private landowners who agree to place sensitive wetlands under permanent easements. This program can be used to fund the protection of open space and greenways within riparian corridors. Landowners

can receive up to the fully appraised value for land that is very difficult to farm. In Kentucky, eligible land can be protected through easements. This program is voluntary and landowners retain control of access.

Wildlife Habitat Incentives Program

The USDA Natural Resource Conservation Service (NRCS) will work with local landowners to develop a wildlife habitat plan that a landowner implements and maintains. The NRCS provides up to 75% of the initial cost for installing a habitat. The landowner agrees to allow NRCS to have access to the land for monitoring purposes.

Environmental Quality Incentives Program

The USDA Natural Resource Conservation Service (NRCS) will provide cost share assistance of up to 75% to farms and ranches for environmental protection practices. Examples of this assistance include: grassed waterways, filter strips, manure management facilities, capping abandoned wells and wildlife enhancement. Contracts are made for 5- to 10-year increments. Incentive payments can also be used to assist farmers with land management practices.

Forestry Incentives Program

The USDA will provide cost share assistance of up to 65% to local landowners for the planting of trees and timber on non-industrial, privately owned forest lands.

Conservation Contracts

The USDA Farm Service Agency can forgive debt from the Farm Loan Program in exchange for conservation contracts on environmentally sensitive portions of a borrower's property. Contracts can be set up for conservation, recreation and wildlife purposes on farm property, including properties adjacent to streams and rivers.

Federal Emergency Management Agency

Hazard Mitigation Grant Program

The Federal Emergency Management Agency (FEMA) provides grants to state and local governments for implementing long-term hazard mitigation measures following a major disaster declaration. Eligible projects include the acquisition and relocation of repetitive flood structures. Such lands, once acquired, can be converted into greenways for flood mitigation purposes. A 25 percent local match is required. All applications

must be submitted no later than 90 days following FEMA's approval of the State Hazard Mitigation plan.

Flood Mitigation Assistance

This FEMA program provides funds to states and communities to help reduce the long-term risk of flood damage to structures. Eligible projects include acquisition and relocation of insured structures. Grantees must participate in the National Flood Insurance Program and a 25 percent local match is required. The total amount of Flood Mitigation Assistance Grants provided during any 5-year period cannot exceed \$10 million to any state or \$3.3 million to any community.

G.2. STATE OF KENTUCKY FUNDING SOURCES

The Kentucky Heritage Land Conservation Fund

The Kentucky Heritage Land Conservation Fund (KHLCF) is the premier state funding mechanism to acquire lands in their natural state. It was established by the 1994 Kentucky General Assembly to implement the functions of the 1990 Heritage Land Conservation Act. The Fund is administered by a 12 member board. The mission of the fund is to purchase lands from willing sellers to meet one or all of the statutory priorities to preserve: (1) natural areas that possess unique features, such as habitat for rare and endangered species; (2) areas important to migratory wildlife, particularly waterfowl and songbirds; (3) areas that perform important natural functions that are subject to alteration or loss, such as wetlands, old-growth or riparian forests, and forested watersheds; and/or (4) areas to be preserved in their natural state for public use, outdoor recreation, and education. Greenspace and greenways minimally meet the last priority and may commonly meet all four priorities. The fund also provides for initial management expenses, such as biological and archeological inventories; trail development; signage; and recreational/educational displays. Fund applications include a project description, a resource management plan, and discussion as to how fund priorities are met by the proposed project. Local governments, colleges and universities, and state agencies are eligible to apply to the fund. The KHLCF is supported by the state portion of the unmined minerals tax, environmental fines (other than

mining) and the \$10 additional fee to purchase the Kentucky Nature License Plate.

The Kentucky River Authority

The Kentucky River Authority was first established by the Kentucky General Assembly in 1986 to take over operation of the Kentucky River Locks and Dams 5 through 14 from the United States Corps of Engineers. Following the drought of 1988, the Authority was given a mission to protect and improve the waters of the Kentucky River through environmental management of the entire watershed. It is the first effort by the Commonwealth of Kentucky to protect a significant water resource through watershed management on a regional scale. Watershed management recognizes that a river is more than the water flowing in the main channel, and that human activities throughout the drainage area of the river affect the amount and quality of water that flows through the waterways. The Authority is charged with developing comprehensive plans for the management of the Kentucky River Basin, including long-range water supply, drought response and groundwater protection plans. It will do this by adopting regulations to improve and coordinate water resource activities within the basin among state agencies. It is also charged to develop recreational areas within the basin. The Authority is supported by water-user fees collected from facilities that withdraw water from the basin (except for those facilities using water for agricultural purposes). These fees are passed on to the citizens in the basin who purchase water.

The Kentucky Heritage Council

The mandate of the Kentucky Heritage Council is to identify, preserve and protect the cultural resources of Kentucky. The Council also maintains continually updated inventories of historic structures and archaeological sites and nominates properties to the National Register of Historic Places. By working with other state and federal agencies, local communities, and interested citizens, the Council seeks to build a greater awareness of Kentucky's past and to encourage the long-term preservation of Kentucky's significant cultural resources. Through its various programs, the Council strives to show how historic resources contribute to the heritage, economy, and quality of life of all Kentuckians.

Kentucky Community Rivers and Streams Grant Program

The purpose of this grant program is to promote community and local government participation in restoring, maintaining, and enhancing local and regional river resources and their accompanying watersheds, streams, and riparian areas. Examples of typical grants include: (1) development of river, stream and watershed assessments, protection strategies, and multi-use management plans; (2) activities to promote tourism, recreation, historic preservation, economic development and other river and stream-related opportunities; and (3) river and stream cleanups. Grant awards are determined by the Rivers and Streams Coordinating Committee, using rating criteria developed for the program. The maximum Grant award is \$5,000.00.

Kentucky Division of Community Development

The Division of Community Development administers three federally funded grant programs, as well as some state funded programs. These programs are geared to enhance the quality of life of all Kentucky communities by working through and with city and county governments. The U.S. Department of Housing and Urban Development (HUD) funded Community Development Block Grant (CDBG) program provides assistance to communities for use in revitalizing neighborhoods, expanding affordable housing and economic opportunities and/or improving community facilities and services.

A variety of programs designed to improve the quality of life for the residents of the Commonwealth are located Under the Recreation and Neighborhood Programs Branch. They include the CDBG Community Projects, CDBG Community Emergency Relief Fund (CERF) projects, and the Renaissance Kentucky program. CDBG Community Projects are designed to provide funds for community and senior center projects, as well as small infrastructure projects. As part of the Commonwealth's allocation from the CDBG program, these projects were allocated \$2,049,020, for FY 2001 (with the maximum amount of \$500,000 of CDBG funding per project).

G.3. LOCAL FUNDING SOURCES

Revenue from Taxes

Greenways can be funded through sales tax revenues. One example of a community that is using

sales tax dollars to fund bicycle and pedestrian facilities is Cobb County, Georgia, where citizens voted to implement a 1 percent special local option sales tax to provide funding for transportation projects. Over four years, Cobb County will receive \$3.8 million of this sales tax revenue for bicycle improvements alone to be used as a match for federal dollars. Another example is Oklahoma City, where voters approved a temporary \$0.01 sales tax, which generated millions of dollars for greenway acquisition and development.

Hotel/Motel Tax

A hotel/motel tax might be one avenue for generating income for the greenway system in Lexington-Fayette County. The Greenspace Commission has calculated that a 1 percent increase in this tax could generate \$670,000 in annual revenue for the greenway system.

Park Improvement Fees

An increase in Park Improvement Fees could generate dollars for both land acquisition and greenway facility development.

Impact Fees

Impact fees are monetary, one-time charges levied by a local government on new development. Unlike required dedications, impact fees can be applied to finance greenway facilities located outside the boundary of development. The Kentucky General Assembly has permitted a "small but growing number of local governments to impose impact fees." These fees can be levied through the subdivision or building permit process to finance greenways in Lexington-Fayette County.

Bond Referendums

Communities like Charlotte-Mecklenburg, North Carolina have successfully used bond referendums to fund greenway programs. During a four-year period in the 1990s, Charlotte-Mecklenburg raised more than \$15 million for the implementation of its county-wide greenway program. Lexington-Fayette County is currently considering a bond referendum that would fund park improvement projects.

Local Capital Improvements Program

Some local governments have initiated a yearly appropriation for greenway and trail development in the Capital Improvements Program. In Raleigh, North Carolina, greenways continue to be built and maintained, year after year, using a dedicated source

of annual funding that has ranged from \$100,000 to \$500,000.

G.4. PRIVATE FUNDING SOURCES

Many communities have solicited greenway funding from a variety of private foundations, corporations and other conservation-minded benefactors. As a general rule, local foundations and businesses have a greater interest and are more likely to fund local projects. These local sources should be approached first, before seeking funds outside the community.

Foundations

The following provides a listing of charities principally located within Lexington, Kentucky. The purpose of this listing is to provide information about organizations that may be interested in financially participating in the development of certain elements of the Lexington-Fayette County Greenway system. This participation may include funding the development of trails or other outdoor facilities, programming for educational or cultural events, improvements to local income neighborhoods, or enhancement for water quality purposes. This is not a comprehensive listing, and the foundations and organizations listed herein may not support greenway initiatives.

Edith Gardner Foundation
201 East Main Street
Room 1000
Lexington, Kentucky 40507

Mary E. Wharton Nature Sanctuary at Floracliff
400 Old East Vine
Lexington, Kentucky 40507
(Supports environmental causes)

Brain, Frances Hollis Foundation, Inc.
1558 Lakewood Court
Lexington, Kentucky 40502

Catholic Charities USA
Sister Frances E. Moore, CDP
Diocesan Director
Catholic Social Service Bureau
1310 West Main Street
Lexington, Kentucky 40508-2040
Phone: (859) 253-1993
Fax: (859) 254-6284

The Kentucky Waterway Alliance
Judith D. Petersen, Executive Director
854 Horton Lane
Munfordville, Kentucky 42765-8135
(270) 524-1774
email: Judy@KWAlliance.org
(Supports water quality initiatives)

Kentucky Society of Natural History
Graduate Student Research Grants
W.H. (Wally) Roberts
President, K.S.N.H.
3792 Illinois Avenue
Louisville, Kentucky 40213
(Supports research on bio-diversity)

Kentucky Rails to Trails Council
Post Office Box 597
Lexington, Kentucky 40588-0597
KyRailTrail@hotmail.com
(Supports for rails-to-trails projects)

Good Samaritan Foundation, Inc.
270 South Limestone Street
Lexington, Kentucky 40508-2566
Attn: Arch G. Mainous, Jr., President
Verona Cumberledge, Vice President
(Supports health care related projects only)

The Howe Charities, Inc.
Investing in Humanity
658 Montclair Drive
Lexington, Kentucky 40502
Phone: (859) 266-3030
(support for arts, sciences and education)

Local Businesses

Local industries and private businesses may agree to provide support for development of greenways in Lexington-Fayette County through the following:

- donations of cash to a specific greenway segment;
- donations of services to reduce the cost of greenway implementation, including equipment and labor to construct and install elements of a trail; or
- reductions in the cost of materials purchased from local businesses which support greenway implementation and can supply essential products for facility development.

This method of raising funds requires a great deal of staff coordination. One example of a successful endeavor of this type is the Swift Creek Recycled Greenway in Cary, North Carolina. A total of \$40,000 in donated construction materials and labor made this trail an award-winning demonstration project. (Some materials used in the "recycled trail" were considered waste materials by local industries!)

Trail Sponsors

A sponsorship program for trail amenities allows for smaller donations to be received from both individuals and businesses. The program must be well planned and organized, with design standards and associated costs established for each amenity. Project elements that may be funded can include wayside exhibits, benches, trash receptacles, entry signage and picnic areas. Usually, plaques recognizing the individual contributors are placed on the constructed amenities or at a prominent entry point to the trail.

Volunteer Work

Community volunteers may help with trail construction and fund raising. Potential sources of volunteer labor in Lexington-Fayette County could include local bicyclists; local historical groups; neighborhood associations; local churches; conservation groups; school groups and local civic clubs, such as Kiwanis, Rotary and Lions Clubs.

A good example of a volunteer greenway program is Cheyenne, Wyoming, which generated an impressive amount of community support and volunteer work. The program has the unusual problem of having to insist that volunteers wait to begin landscaping trails until construction is completed. A manual for greenway volunteers was developed in 1994 to guide and regulate volunteer work. The manual includes a description of appropriate volunteer efforts, request forms, waiver and release forms, and a completion form (volunteers are asked to summarize their accomplishments). Written guidelines are also provided for volunteer work in 100-year floodplains.

To better organize volunteer activity, Cheyenne developed an "Adopt-a-Spot" program. Participants who adopt a segment of trail are responsible for periodic trash pick-up, but can also install landscaping, prune trail-side vegetation, develop wildlife enhancement projects and install site amenities. All improvements must be consistent with the Greenway Development Plan and must be

approved by the local Greenway Coordinator. Adopt-a-Spot volunteers are allowed to display their names on a small sign along the adopted section of greenway.

"Buy-a-Foot" Programs

"Buy-a-Foot" programs have been successful in raising funds and awareness for trail and greenway projects across the Country. Under local initiatives, citizens are encouraged to purchase one linear foot of the greenway by donating the cost of construction. An excellent example of a successful endeavor is the High Point Greenway "Buy-a-Foot" campaign, in which linear greenway "feet" were sold at a cost of \$25 per foot. Those who donated were given a greenway T-shirt and a certificate. This project provided an estimated \$5,000 in funds.

American Greenways DuPont Awards

The Conservation Fund's American Greenways Program has teamed with the DuPont Corporation and the National Geographic Society to award small grants (\$250 to \$2,500) to stimulate the planning, design and development of greenways. These grants can be used for activities, such as mapping; conducting ecological assessments; surveying land;

holding conferences; developing brochures; producing interpretive displays; incorporating land trusts; building trails and other creative projects. Grants cannot be used for academic research, institutional support, lobbying or political activities.

REI Environmental Grants

REI (Recreational Equipment Incorporated) awards grants to organizations in the protection and enhancement of natural resources for outdoor recreation. Grants of up to \$2,000 are available through this program and can be used for:

Preservation of wild lands and open space

Advocacy-oriented education for the general public on conservation issues

Building the membership base of a conservation organization

Direct citizen action (lobbying) campaigns for public land and water recreation issues

Projects that serve to organize a trail constituency or enhance the effectiveness of a trail organization's work as an advocate

Grants cannot be used for trail construction and maintenance.